

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6112**

**BILL NUMBER:** HB 1095

**DATE PREPARED:** Jan 15, 1999

**BILL AMENDED:**

**SUBJECT:** Children's special health care services.

**FISCAL ANALYST:** Ron Sobecki

**PHONE NUMBER:** 232-9854

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill requires the State Department of Health to extend all care, services, and materials to an individual with a pervasive developmental disorder who meets certain criteria as are provided to children with special health care needs. It defines "pervasive developmental disorder"(PPD).

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** (Revised) This bill expands the medical eligibility of the Children's Special Health Care Services program to include children with a "pervasive developmental disorder." The State Department of Health (SDOH) has developed the following financial eligibility criteria for children with special health care needs: a family with an income before taxes no greater than 250% of the federal poverty level is eligible for the program. The annual income level ranges from \$27,125 for a family of two to \$69,125 for a family of eight at 250% of the federal poverty level. For each additional child the income level increases by \$2,800. The SDOH estimates that approximately one per every 500 children in Indiana may have the occurrence of PPD. In Indiana there would be an estimated 3,641 children within the ages of 0 to 21 that would have PPD.

For this fiscal analysis, the following assumptions are made:

- Approximately 24% of the 3,641 or 874 children would meet the income requirements of the program mentioned above.
- It is estimated that 25% of the 874 eligible children are Medicaid eligible, so the estimated number of children eligible for the program is 655.

The SDOH estimates that the cost of treatment for these children could be as high as \$136 per week or \$6,800 per year. The estimated cost of adding an additional 655 children to the program is \$4.4 million per year. The Children with Special Health Care Needs Fund serves as a payor of last resort. Therefore, the \$4.4

million per year estimate is the maximum amount that would be paid from the Fund.

The Children with Special Health Care Needs Fund received a state General Fund appropriation of \$7,471,096 in FY 98. The Fund also receives funding from a county property tax levy. The amount received from the property tax levy and other local miscellaneous revenues in FY 98 was \$6,300,000. The Fund currently has a balance of approximately \$15 million. Current spending from the Fund is approximately \$2 million more than the annual revenue deposited into the Fund due to the current balance. The current fund balance should be able to support the additional services to this cohort over the next biennium .

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Health.

**Local Agencies Affected:**

**Information Sources:** Joni Albright, State Department of Health, 233-7458.